



# PRESS RELEASE

Federal Deposit Insurance Corporation • Each Depositor insured to at least \$250,000

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## **Stearns Bank National Association, St. Cloud, Minnesota, Assumes All of the Deposits of Copper Star Bank, Scottsdale, Arizona**

### FOR IMMEDIATE RELEASE

Copper Star Bank, Scottsdale, Arizona, was closed today by the Superintendent of the Arizona Department of Financial Institutions, which appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. To protect depositors, the FDIC entered into a purchase and assumption agreement with Stearns Bank National Association, St. Cloud, Minnesota, to assume all of the deposits of Copper Star Bank.

The three branches of Copper Star Bank will reopen on Monday as branches of Stearns Bank N.A. Depositors of Copper Star Bank will automatically become depositors of Stearns Bank N.A. Deposits will continue to be insured by the FDIC, so there is no need for customers to change their banking relationship in order to retain their deposit insurance coverage up to the applicable limits. Customers of Copper Star Bank should continue to use their existing branch until they receive notice from Stearns Bank N.A. that it has completed systems changes to allow other Stearns Bank N.A. branches to process their accounts as well.

This evening and over the weekend, depositors of Copper Star Bank can access their money by writing checks or using ATM or debit cards. Checks drawn on the bank will continue to be processed. Loan customers should continue to make their payments as usual.

As of September 30, 2010, Copper Star Bank had approximately \$204.0 million in total assets and \$190.2 million in total deposits. Stearns Bank N.A. will pay the FDIC a premium of 1.0 percent to assume all of the deposits of Copper Star Bank. In addition to



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

FDIC press releases and other information are available on the Internet at [www.fdic.gov](http://www.fdic.gov), by subscription electronically (go to [www.fdic.gov/about/subscriptions/index.html](http://www.fdic.gov/about/subscriptions/index.html)) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). PR-250-2010

assuming all of the deposits, Stearns Bank N.A. agreed to purchase essentially all of the failed bank's assets.

The FDIC and Stearns Bank N.A. entered into a loss-share transaction on \$165.2 million of Copper Star Bank's assets. Stearns Bank N.A. will share in the losses on the asset pools covered under the loss-share agreement. The loss-share transaction is projected to maximize returns on the assets covered by keeping them in the private sector. The transaction also is expected to minimize disruptions for loan customers. For more information on loss share, please visit:  
<http://www.fdic.gov/bank/individual/failed/lossshare/index.html>.

Customers who have questions about today's transaction can call the FDIC toll-free at 1-800-815-0286. The phone number will be operational this evening until 9:00 p.m., Mountain Standard Time (MST); on Saturday from 9:00 a.m. to 6:00 p.m., MST; on Sunday from noon to 6:00 p.m., MST; and thereafter from 8:00 a.m. to 8:00 p.m., MST. Interested parties also can visit the FDIC's Web site at  
<http://www.fdic.gov/bank/individual/failed/copperstar.html>.

The FDIC estimates that the cost to the Deposit Insurance Fund (DIF) will be \$43.6 million. Compared to other alternatives, Stearns Bank N.A.'s acquisition was the least costly resolution for the FDIC's DIF. Copper Star Bank is the 146th FDIC-insured institution to fail in the nation this year, and the fourth in Arizona. The last FDIC-insured institution closed in the state was First Arizona Savings, a F.S.B., Scottsdale, on October 22, 2010.

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